

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3699-01
Bill No.: Perfected HB 1489
Subject: Counties; Crimes and Punishment; Victims of Crime
Type: Original
Date: April 9, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(Unknown) to \$1,900,000	(Unknown) to \$1,900,000	(Unknown) to \$1,900,000
School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown) to \$1,900,000	(Unknown) to \$1,900,000	(Unknown) to \$1,900,000

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Treasurer's Office** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Office of Prosecution Services** assume the proposed legislation would have no fiscal impact on prosecutors.

Officials of the **Office of State Courts Administrator (CTS)** assume the proposed legislation would revise various court administrative sections, including fee payments, filing procedures, cost assessments, and fine collections.

Section 488.5021 would allow a court to assess an additional \$20 fee for penalties, fines, and sanctions not paid in full within 30 days of imposition. Depending on the rate of assessment and collection, the range of possible collections is from \$1 million to \$1.9 million. The first figure, \$1 million, is based upon a 20% to 25% collection on misdemeanor and felony cases, and 10% on traffic. The second figure, \$1.9 million, is based on a collection rate of 56% of felonies and 75% of misdemeanors, and is the less likely amount of the two estimates.

The legislation would also authorize county commissions to create local crime reduction funds and authorize courts to require misdemeanor defendants to pay into the local funds amounts up to \$1,000 as part of a restorative justice program. The proposal does not specify who would be responsible for receiving and accounting for what would be in most cases installment payments. Since the Sheriff and Prosecutor would be the beneficiaries of the fund, CTS officials assume one or the other of these offices would provide these services, and state-paid court clerks would not be required to do this. If this assumption is valid, there would be no appreciable state cost. However, if the court clerks are required to provide this service, there would be a state cost in direct proportion to the volume of transactions.

CTS officials assume traffic cases are usually misdemeanors, and if as an alternative to a traffic conviction, a defendant can get a suspended sentence for payment into the crime reduction fund, the potential volume could be in the hundreds of thousands of cases.

CTS officials assume if cases that would otherwise have resulted in a conviction are shifted to a suspended imposition or execution of sentence, it is likely to result in the loss of revenue from fines to schools, crime victims' compensation, law enforcement training, and other earmarked funds.

CTS cannot predict what changes in the practice of law and the exercise of prosecutorial discretion may result from the passage of the proposal.

ASSUMPTION (continued)

Officials from the **Department of Corrections (DOC)** assume the fiscal impact due to passage

of this bill is unknown. This bill authorizes the creation of a county crime reduction fund and probationers can be required to pay up to \$1,000 to the fund as a condition of probation. Proposed language in §558.019 refers only to misdemeanor probation, however §559.021 does not appear to be limited to only misdemeanors. Willful failure to pay could result in the revocation of probation and incarceration.

Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost either through incarceration (FY01 average of \$35.78 per inmate, per day or an annual cost of \$13,060 per inmate) or through additional supervision provided by the Board of Probation and Parole (FY01 average of \$3.34 per offender, per day or an annual cost of \$1,219 per offender).

At this time, the DOC is unable to determine the number of additional inmate beds that may be required as a consequence of passage of this proposal. Estimated construction cost for one new medium to maximum-security inmate bed is \$55,000. Utilizing this per-bed cost provides for a conservative estimate by the DOC, as facility start-up costs are not included and entire facilities and/or housing units would have to be constructed to cover the cost of housing new commitments resulting from the cumulative effect of various new legislation, if adopted as statute.

In summary, supervision by the DOC through incarceration or probation would result in additional costs. The exact fiscal impact to the DOC is unknown and cannot be estimated.

Officials from the **Department of Revenue (DOR)** assume this legislation will have little direct impact on their agency. The Division of Taxation would experience an administrative impact. The proposal would be a year end change and the Division of Taxation would submit a tape to the DOR to match against the refunds prior to issuance. The tapes would need to be updated at a frequency set by the DOR and the county agency. The DOR expects minimal impact as a result of this legislation.

The **Phelps County Clerk** assumes the revenues generated, based on \$3.00 fee, would be \$5,000 per year. The costs incurred would also be \$5,000. The county would experience offsetting revenues and costs, resulting in no fiscal impact.

ASSUMPTION (continued)

In response to a similar proposal from the 2001 session (HB 835), the **Callaway County Circuit Clerk** stated that if the contribution to the Crime Reduction Fund is in addition to the court cost and fine then there would be no loss of income to any fund, however, if the contribution is in lieu of the court cost and fine then there would be a loss of revenue to the county, schools, crime victim compensation fund, law enforcement training fund, Prosecutor training fund, sheriff's retirement, court automation fund, etc. Officials assume that both court cost and fines would be assessed.

Oversight assumes that fiscal impact would depend upon several factors: 1) The County Commission would need to establish the Crime Reduction Fund, as allowed by this proposal; and 2) The amount of fiscal impact would depend on the number of cases the Court would suspend and require payment into the Crime Reduction Fund.

Oversight assumes that to the extent there is a reduction in fines on the local level, schools would receive more money in state aid due to the school aid formula. Therefore, the loss of fine revenues would be subsidized by the State's General Revenue Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Savings</u> – Decreased Transfers to State School Money Fund	Unknown to \$1,900,000	Unknown to \$1,900,000	Unknown to \$1,900,000
<u>Costs</u> – Department of Corrections Incarceration/Probation costs	(Unknown)	(Unknown)	(Unknown)
<u>Transfer out</u> – to State School Moneys Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(Unknown) to <u>\$1,900,000</u>	(Unknown) to <u>\$1,900,000</u>	(Unknown) to <u>\$1,900,000</u>

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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STATE SCHOOL MONEYS FUND

<u>Savings</u> – Decreased Distributions to School Districts	Unknown to \$1,900,000	Unknown to \$1,900,000	Unknown to \$1,900,000
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<u>Loss</u> – Decreased Transfers from General Revenue Fund	(Unknown to \$1,900,000)	(Unknown to \$1,900,000)	(Unknown to \$1,900,000)
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<u>Transfer in</u> – from General Revenue Fund	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Costs</u> – Transfer to Local School Districts	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
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ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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SCHOOL DISTRICTS

<u>Increase in Revenue</u> – Additional \$20 fee for penalties, fines, and sanctions not paid within 30 days	Unknown to \$1,900,000	Unknown to \$1,900,000	Unknown to \$1,900,000
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<u>Reduction in Replacement Revenue</u> – Decreased distributions from the State School Money Fund	(Unknown to \$1,900,000)	(Unknown to \$1,900,000)	(Unknown to \$1,900,000)
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<u>Income</u> – to Certain School Districts* from State's School Aid Formula	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Loss</u> – to Certain School Districts* from reduction in fines	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
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ESTIMATED NET EFFECT TO CERTAIN SCHOOL DISTRICTS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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*** Fiscal impact would be dependent upon the County Commission establishing a Crime Reduction Fund and upon the number of cases that would be suspended without a fine.**
LOCAL GOVERNMENTS

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Increase in Revenue</u> – to Local Crime Reduction Fund	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposed legislation would allow county commissions to create county crime reduction funds and would specify the purposes for which the money in the funds can be spent.

The proposal would allow the court to order restorative justice methods in cases where there is a suspended imposition or execution of sentence and to order individuals who have a suspended imposition or execution of sentence for a misdemeanor to make a payment of up to \$1,000 to the county crime reduction fund.

The proposal would allow the court to order a payment of up to \$1000 to the county crime reduction fund as a condition of probation. A judge could only order such a condition of probation if the county crime reduction fund was established prior to sentencing. A judge could not have any direct supervisory or administrative over a fund to which he or she orders probationers to make payments. A defendant could refuse probation conditioned on the performance of free work or probation conditioned on a payment to a county crime reduction fund. Probation could not be revoked solely for failure to make payments to the fund, except under certain circumstances.

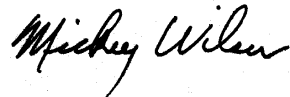
The proposal would define “court” for purposes of income tax credits and refunds; allow the state courts administrator to seek a setoff of an income tax refund upon an individual’s failure to pay court costs, fines, fees, or other sums ordered by the court as payable to the state; and allow a court to assess an additional \$20 fee for penalties, fines, and sanctions not paid in full within 30 days of imposition.

DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation would not affect Total State Revenue.

SOURCES OF INFORMATION

Office of Prosecution Services
Office of State Courts Administrator
Department of Corrections
Department of Revenue
State Treasurer's Office
Phelps County Clerk
Callaway County Circuit Clerk

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director

April 9, 2002